

Message Text

UNCLASSIFIED

PAGE 01 MANAMA 00211 251156Z
ACTION NEA-10

INFO OCT-02 ISO-00 NEAE-00 AGRE-00 ABF-01 FSE-00
AID-05 CIAE-00 COME-00 EB-08 FRB-01 INR-07
NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02
LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-06 CEA-01
L-03 DODE-00 PA-02 PRS-01 /099 W
-----001472 251304Z /46

P 251030Z JAN 78
FM AMEMBASSY MANAMA
TO SECSTATE WASHDC PRIORITY 5690
INFO AMEMBASSY ABU DHABI PRIORITY
AMEMBASSY CAIRO PRIORITY
AMCONSUL DHAHRAN PRIORITY
AMEMBASSY DOHA PRIORITY
AMEMBASSY JIDDA PRIORITY
AOEMBASSY KUWAIT PRIORITY 2621

UNCLAS MANAMA 0211

E.O. 11652: N/A
TAGS: EFIN BA
SUBJECT: BAHRAIN STOPS FOREIGN EXCHANGE DEALING

1. THE MONEY EXCHANGE ORDINARILY USED BY EMBASSY
STAFF INFORMED EMBASSY MORNING OF JANUARY 25 THAT
IT WAS UNABLE TO EXCHANGE U.S. DOLLARS FOR BAHRAINI
DINARS AS THE GOB WAS GOING TO CHANGE THE OFFICIAL
RATE. EMBASSY HAS BEEN UNABLE TO REACH OFFICIALS
OF BAHRAIN MONETARY AGENCY (BMA) FOR CONFIRMATION
AND EXPLANATION.

2. AMERICAN BANKERS IN BAHRAIN CONFIRM THAT THE
BMA ON MORNING OF JAN 25 "DISCONTINUED INDEFINATELY"
ALL FOREIGN EXCHANGE DEALING WITH THE EXCEPTION
OF SWAP ARRANGEMENTS. THE REASON FOR THE CLOSURE
WAS THAT WORD HAD LEAKED TO PUBLIC THAT GULF
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MANAMA 00211 251156Z

MONETARY AUTHORITIES WERE MEETING TO CONSIDER A
NEW RATE AGAINST THE DOLLAR, LEADING TO AN EXTRA-
ORDINARY INCREASE IN FX DEALING. THE BMA, AS A
RESULT, HAS AN EXCESS OF ALL FOREIGN CURRENCIES
AND SHORTAGE OF BD.

3. SOURCES EXPECT THAT LATE AFTERNOON OR EVENING

JAN 25 A NEW RATE AGAINST THE DILLAR WILL BE
ANNOUNCED. STREET OPINION IS THAT THE GULF
CURRENCIES WILL INCREASE IN VALUE AGAINST THE
DOLLAR BY 10-12 PERCENT. THIS WOULD BE A UNIFORM
CHANGE FOR BAHRAIN, QATARI AND UAE CURRENCIES.
THERE IS EXPECTED TO BE NO CHANGE MADE IN PARITY AMONG
THESE THREE CURRENCIES IN SPITE OF THE GENERAL
OPINION IN BAHRAIN THAT THE UAE DIRHAM IS OVERPRICED
VIS-
A-VIS THE OTHER TWO.
CLUVERIUS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN EXCHANGE TRANSACTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MANAMA00211
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780037-0252
Format: TEL
From: MANAMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780125/aaaaaumj.tel
Line Count: 73
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 79cda1e0-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3717501
Secure: OPEN
Status: NATIVE
Subject: BAHRAIN STOPS FOREIGN EXCHANGE DEALING
TAGS: EFIN, BA
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/79cda1e0-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014